

Alaska Energy Authority - Rural Outdoor Lighting Efficiency Retrofit

FY2020 Request: \$1,000,000
Reference No: AMD 62741

AP/AL: Appropriation

Project Type: Energy

Category: Development

Location: Statewide

House District: Statewide (HD 1-40)

Impact House District: Statewide (HD 1-40)

Contact: Curtis Thayer

Estimated Project Dates: 07/01/2019 - 06/30/2024

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Brief Summary and Statement of Need:

The Alaska Energy Authority applied for funding through the Wells Fargo Clean Energy program. In FY2020, funds are anticipated to be awarded to fund rural outdoor lighting efficiency retrofit projects throughout the state.

Funding:	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>Total</u>
1108 Stat	\$1,000,000	\$1,000,000					\$2,000,000
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Total:	\$1,000,000	\$1,000,000	\$0	\$0	\$0	\$0	\$2,000,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

Project Description/Justification:

Wells Fargo has identified up to \$1,000,000 in potential funding for clean energy projects in Alaska in FY2020. The Alaska Energy Authority (AEA) will administer the projects, which will focus on rural outdoor lighting efficiency retrofits. Funding is anticipated to be awarded in spring 2019.

Outdoor lighting efficiency retrofits are high impact, highly visible economic investment opportunities in rural communities. Several years ago, AEA had one-time funding to partially retrofit outdoor lighting in around 20 villages; through that program, a typical LED replacement in rural Alaska achieved savings (more than paid for itself) within two years.

AEA will administer the funding through the Village Energy Efficiency Program (VEEP). AEA has administered VEEP since 2005, through multiple rounds of appropriated funding. VEEP traditionally implements energy efficiency upgrades in public and community buildings and facilities in rural communities with populations smaller than 8,000. These efficiency retrofits include schools, health clinics, tribal halls, washeteria (laundromat with clean water facilities), outdoor lighting, etc. Past performance shows a 26 to 30 percent energy reduction after implementation of cost-effective efficiency measures. This energy savings translates into dollar savings, resulting in a higher level of service to the community as funds are freed up to pay for core public services such as education and

healthcare.

The planned timeline for the project is as follows:

- Release Request for Applications: April 1 – May 15, 2019
- Review Applications: May 15 – June 14, 2019
- Award Projects: July 1, 2019
- Construction: August 2019 – August 2020

AEA will use previously appropriated funding for the VEEP program to provide 20% match to the \$1,000,000 outside investment from Wells Fargo. A 20% community match is anticipated to be required, which may be met either through direct financial contributions or through in-kind match. With contributions from Wells Fargo, AEA's VEEP match, and community partnerships, the total program is anticipated to invest \$1.4 million into lighting upgrades in Alaska's rural communities.

Additional funding may be available from Wells Fargo in future years for other energy projects in Alaska.